

**Ad-hoc report in accordance with Section 15 of the German Securities Trading Act  
(WpHG) by Sto AG, Stühlingen  
dated 21 April 2011**

**Key word:** Dividend

Sto AG

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ISIN DE0007274136

Quotation: regulated market in Frankfurt (General Standard) and Stuttgart; over-the-counter in Berlin, Dusseldorf and Munich

**Sto AG: group annual net profit up in 2010 by 4.7% to EUR 58.2 million,  
shareholder dividend due to increase to EUR 3.37 per preferential share**

Sto AG, a major international manufacturer of building coating products and systems, increased its consolidated sales in the 2010 business year by 6.6% to EUR 986.0 million. This positive performance primarily resulted from a healthy demand for facade insulation systems. Above all, the core German market generated pleasing sales results, as reflected in the 8.6% increase in domestic sales to a figure of EUR 489.2 million. Foreign sales rose by 4.8% to EUR 496.8 million

An increased volume of business in excess of original expectations cushioned the negative impact on profit resulting from significant raw material and commodity price hikes as well as increased personnel costs. Consequently, the consolidated operating result (EBIT) for 2010 rose by 4.0% to EUR 85.6 million, with annual net profit up by 4.7% to EUR 58.2 million.

In light of the solid financial performance and cash flow position, the Executive Committee and Supervisory Board recommendation to the ordinary shareholder's meeting on 21 June 2011 again provides for a dividend distribution of EUR 0.31 per preferential share and EUR 0.25 per ordinary share. This is supplemented by an increased bonus per share, rising from EUR 2.06 to EUR 3.06.

In terms of the 2011 business year, Sto AG anticipates a moderate increase in consolidated sales of around 3% to approximately EUR 1,015 million. The consolidated operating result (EBIT) achieved in 2010 is unlikely to be repeated. Above all, continuing sharp hikes in raw material prices and a further discernible increase in personnel costs will more than outweigh the positive impact on earnings generated by the modest increase in business volume.

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